

are now doing under TARP, with a set of political strings attached.

Many are now beginning to criticize the idea of public authorities taking over large institutions on the grounds that we would be “nationalizing” our financial system. I believe that this is a misnomer, as we are taking a temporary step that is aimed at cleaning up a limited number of failed institutions and returning them to private ownership as soon as possible. This is something that the banking agencies have done many times before with smaller institutions and, in selected cases, with very large institutions. In many ways, it is also similar to what is typically done in a bankruptcy court, but with an emphasis on ensuring a continuity of services. In contrast, what we have been doing so far is every bit a process that results in a protracted nationalization of “too big to fail” institutions.

The issue that we should be most concerned about is what approach will produce consistent and equitable outcomes and will get us back on the path to recovery in the quickest manner and at reasonable cost. While it may take us some time to clean up and reprivatize a large institution in today’s environment—and I do not intend to underestimate the difficulties that would be encountered—the alternative of leaving an institution to continue its operations with a failed management team in place is certain to be more costly and far less likely to produce a desirable outcome.

In a similar fashion, some are now claiming that public authorities do not have the expertise and capacity to take over and run a “too big to fail” institution. They contend that such takeovers would destroy a firm’s inherent value, give talented employees a reason to leave, cause further financial panic and require many years for the restructuring process. We should ask, though, why would anyone assume we are better off leaving an institution under the control of failing managers, dealing with the large volume of “toxic” assets they created and coping with a raft of politically imposed controls that would be placed on their operations?

In contrast, a firm resolution process could be placed under the oversight of independent regulatory agencies whenever possible and ideally would be funded through a combination of Treasury and financial industry funds.

Furthermore, the experience of the banking agencies in dealing with significant failures indicates that financial regulators are capable of bringing in qualified management and specialized expertise to restore failing institutions to sound health. This rebuilding process thus provides a means of restoring value to an institution, while creating the type of stable environment necessary to maintain and attract talented employees. Regulatory agencies also have a proven track record in handling large volumes of problem assets—a record that helps to ensure that resolutions are handled in a way that best protects public funds.

Finally, I would argue that creating a framework that can handle the failure of institutions of any size will restore an important element of market discipline to our financial system, limit moral hazard concerns, and assure the fairness of treatment from the smallest to the largest organizations that that is the hallmark of our economic system.

Mr. BOND. Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

## THE BUDGET

Mr. MCCONNELL. Madam President, yesterday I noted that in the middle of the current economic crisis, the administration’s budget spends too much, taxes too much, and borrows too much. Yesterday I focused primarily on the fact that it spends too much. This morning I wish to expand a little bit more on that issue.

As I noted yesterday, the current Congress is on a remarkable spending binge. In the first 50 days of the new administration, Congress has approved more than \$1.2 trillion in spending which translates into \$24 billion a day, or \$1 billion every hour since Inauguration Day. The budget, which we just learned about a while back, continues that trend.

Earlier this week, Congress approved a Government spending bill that increased spending by 8 percent over last year, about double the rate of inflation. The budget proposes another spending increase over last year’s budget of an additional 8 percent. A lot of people are wondering why, in the midst of a recession, when millions of Americans are losing jobs and homes, the administration is proposing to spend tax dollars as if we are in the middle of the dot.com boom.

According to the administration’s budget plan, the State Department sees a 41-percent increase in spending next year—a 41-percent increase in spending at the State Department. HUD sees an 18-percent increase.

The budget also proposes a “slush fund” for climate policy that will be larger than the entire annual budgets at the Department of Labor, Treasury, and Interior. Let me say that again: A slush fund for climate policy that will be bigger than the budgets of the Department of Labor, Treasury, and Interior.

Americans want reform in education, health care, energy, and other areas, but they want the administration to fix the economy first. That is the first priority. At this point we seem to be getting proposals on everything but the financial crisis. That is what is crippling our economy.

This budget spends too much, taxes too much, and borrows too much. If we want to earn the confidence of the American people for our programs and plans, the first thing we need to do is to get this excessive spending under control.

## HONORING OUR ARMED FORCES

SERGEANT WILLIAM PATRICK RUDD

Mr. MCCONNELL. Madam President, one of America’s bravest soldiers has fallen, so I rise to speak about SGT William Patrick Rudd of Madisonville, KY. On October 5, 2008, Sergeant Rudd tragically died of the wounds sustained during a ground assault raid on senior leaders of al-Qaida in Mosul, Iraq. He was 27 years old.

Sergeant Rudd was an Army Ranger on his eighth deployment in support of

the war on terror. He had previously served five tours in Iraq and two in Afghanistan.

For his many acts of bravery over years of service, he received several medals, awards, and decorations, including the Kentucky Medal for Freedom, three Army Achievement Medals, the Army Commendation Medal, the Joint Service Commendation Medal, the Meritorious Service Medal, the Purple Heart, and the Bronze Star Medal.

Army Rangers are among the most elite members of our fighting forces. They undergo grueling training to wear the honored Ranger Tab on their sleeves. For Sergeant Rudd it was the life he always wanted.

“I really enjoy what I’m doing and I think I’m really good at it,” Sergeant Rudd told his friend and fellow Ranger, SSG Brett Krueger. This was just a few days before his death. “I told him he was,” Staff Sergeant Krueger remembers.

Sergeant Rudd said, “And I don’t picture myself doing anything else as successful and as comfortable as what I do now.”

Sergeant Rudd’s parents also remember their son—who went by his middle name, Patrick—as a young man firmly dedicated to his fellow Rangers and the cause they fight for.

“He died for the country,” says William Rudd, Patrick’s dad. “He loved the Army Rangers. He loved his men. . . . He didn’t join for himself. You might say he joined for everyone else over here.”

Patrick’s mother, Pamela Coakley, also remembers her son’s sure sense that he was on the right path. “One thing he told me, if this ever happened . . . was just to know that he died happy and proud,” she says. “And that’s what stuck with me, because those big brown eyes looked into me. I know he was serious.”

Pamela also remembers Patrick’s fascination since he was young with the men and women who fight on the side of the good guys. “CIA, FBI, ever since he was a little boy growing up. . . . U.S. Marshals . . . his cousin was a State trooper, and he always wanted to be in that field,” she says.

Young Patrick also loved the outdoors, camping, and riding horses. In fact, the family owned horses and Pamela remembers a time when one of hers was injured. She feared the horse would not survive. But 12-year-old Patrick gave the horse shots, cleaned its wounds, and it lived. “He was always my little man,” Pamela says. “He was always my son, but really the man of the house, too.”

Patrick also looked after his sister, Elizabeth Lam, and that included sending a message to her would-be boyfriends. “On my first date, he sat on the front porch with a shotgun,” Elizabeth said, “on my very first date.”

Patrick graduated from Madisonville-North Hopkins High School in 1999 and then worked at White Hydraulics in Hopkinsville, after which he